

ACTION – 2.

RESOLUTION NUMBER: 32-05 ADOPTION OF THE FY 2006 SECTION 8 HOUSING ASSISTANCE PROGRAM OPERATING BUDGETS FOR ANNUAL CONTRIBUTIONS CONTRACT P-2515 FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2006

ISSUE:

Approval of the FY 2006 Section 8 Housing Assistance Program Operating Budgets for P-2515, New Construction project-based program for the full fiscal year for submission to the U.S. Department of Housing and Urban Development (HUD).

RECOMMENDATION:

At its meeting on May 18, 2005, the FCRHA Finance Committee reviewed this item and approved placing it on the May 26, 2005 FCRHA agenda with a recommendation for approval.

TIMING:

Immediate

RELATION TO FCRHA STRATEGIC PLAN:

The recommended action addresses the FCRHA's stated goal to preserve, expand and facilitate affordable housing in Fairfax County.

BACKGROUND:

The FY 2006 preliminary budgets for the Section 8 ACC P-2515 were submitted to the Fairfax County Department of Management and Budget in September 2004 as part of the County's annual budget cycle and were based on the then current budget allocation that had been approved by HUD for our Fiscal year 2005. This amount was included as part of the Fund 966, Federal Section 8 Rental Assistance Program in the County's FY 2006 Adopted Budget Plan. Since HUD approves our annual allocation within 90 days prior to the beginning of our fiscal year, the requested funding for fiscal year 2006 is submitted to HUD in May after we have received approval from the FCRHA. Once HUD has approved our submitted budget request, the revised FY 2006 approved budget allocation will be reflected in the County's financial system, FAMIS, as part of the County's annual budget carryover process in September, 2005.

The ACC P-2515 covers 228 New Construction privately-owned project-based units located at Strawbridge Square (127 units) and Island Walk (101 units). Project-based units are still called "New Construction" under HUD rules; however, these are existing projects.

Upon approval by the FCRHA, the Section 8 New Construction Operating Budgets will be submitted to HUD for their approval.

FISCAL IMPACT:

Approval of the proposed Section 8 New Construction Operating Budgets is required to continue providing housing assistance support to 228 project-based units. HUD's approval of the FY 2006 submitted budget will provide an annual ACC transfer of approximately \$2.3 million to support these monthly housing assistance payments.

If this item is not approved by the FCRHA, there is a potential for the loss of federal funds for 228 units under ACC P-2515. The loss of this funding would result in the displacement of families from their rental units.

ENCLOSED DOCUMENTS:

Attachment 1: Resolution No. 32-05

Attachment 2: FY2006 Section 8 New Construction Budgets

STAFF:

Paula C. Sampson, Director, Department of Housing and Community Development (HCD)

Mary A. Stevens, Deputy Director, HCD

Steve Solomon, Director, Financial Management Division, HCD

Joseph A. Maranto, Fiscal Administrator, Financial Management Division, HCD

Mary Lou Thompson, Accountant III, Financial Management Division, HCD

Joan Beckner, Accountant II, Financial Management Division, HCD

RESOLUTION NO. 32-05

ADOPTION OF THE FY 2006 SECTION 8 HOUSING ASSISTANCE PROGRAM
OPERATING BUDGETS FOR ANNUAL CONTRIBUTIONS CONTRACT P-2515 FOR
THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2006

BE IT RESOLVED, that the Fairfax County Redevelopment and Housing Authority (FCRHA) approves the FY 2006 budgets for Fund 966, Federal Section 8 Rental Assistance Program Annual Contributions Contract (ACC) P-2515 for the period July 1, 2005 through June 30, 2006 totaling 228 units located at Strawbridge Square (127 units) and Island Walk (101 units), which is necessary for the operation of the FY 2006 Section 8 Housing Assistance Program, and authorizes submission by the Chairman, Vice Chairman, or any Assistant Secretary of the budgets on behalf of the FCRHA in the form required to the U.S. Department of Housing and Urban Development.

ACTION – 1

RESOLUTION NUMBER: 09-05 ADOPTION OF THE FY 2006 PUBLIC HOUSING UNDER MANAGEMENT OPERATING BUDGETS FOR ANNUAL CONTRIBUTIONS CONTRACTS P-184 AND P-2530

ISSUE:

Adoption of the revised FY 2006 Public Housing Under Management Operating Budgets for Annual Contributions Contracts (ACC) P-184 and P-2530 for submission to the United States Department of Housing and Urban Development (HUD).

RECOMMENDATION:

At its meeting of March 2, 2005, the FCRHA Finance Committee place this item on the March 10, 2005 FCRHA agenda with a recommendation for approval.

TIMING:

Action should be taken immediately, since the deadline for submission to HUD is April 1, 2005.

RELATION TO FCRHA STRATEGIC PLAN:

The recommended action addresses the FCRHA's stated goal to assure the continued excellent reputation of the FCRHA through fiscally responsible policies, sound business practices and well-maintained properties that meet the high community standards of Fairfax County.

BACKGROUND:

The FY 2006 preliminary budget for the Public Housing Under Management Program was submitted to the Fairfax County Department of Management and Budget in September 2004 as part of the County's annual budget cycle and was included as Fund 967, Public Housing Under Management in the County's FY 2006 Advertised Budget Plan. The revised FY 2006 operating budget included with this item reflects projections based on the most current factors provided by HUD through the Performance Funding System (PFS). The use of these factors is required when developing the operating budget for submission to HUD on an annual basis.

The FY 2006 Public Housing under Management Program operating budget provides for the operation of 1,002 units (under ACC P-184) in 25 developments under the Federal Public Housing Under Management Program and support for 43 positions. Tavenner Lane (VA1951), a 12-unit Public Housing project and The Green (West Glade), a 50-unit Public Housing project are also included in this budget under the separate ACC (P-2530) for mixed finance Public Housing projects.

While the budget is FY 2006 for Fairfax County (County), it reflects HUD funding for Federal fiscal year 2005.

According to HUD, the final funding level for the County's FY2006 budget will be determined when all submissions have been reviewed. Due to Federal funding, the subsidy level for the County's FY 2005 budget was 98.1% of the FCRHA's budget request.

As indicated in Attachment II, the FCRHA's FY 2006 Public Housing Budget balance is projected to be positive, mainly due to an increase in HUD subsidy using the most current HUD funding factors, which includes an adjustment for inflation.

Upon adoption, the Public Housing under Management Operating Budget will be submitted to HUD for approval and funding.

OTHER COMMENTS:

If this item is not approved by the FCRHA and forwarded to HUD on a timely basis, there is a potential for the loss of operating subsidy for 1,002 units under ACC P-184 and another 62 units under ACC P-2530. The loss of this funding would result in the displacement of families from their rental units.

ENCLOSED DOCUMENTS:

Attachment 1: Resolution No.: 09-05

Attachment 2: Proposed Public Housing Budget for FY 2006

STAFF:

Paula C. Sampson, Director, Department of Housing and Community Development (HCD)

Mary A. Stevens, Deputy Director, HCD

Steven A. Solomon, Director, Financial Management Division, HCD

Penny Xu, Fiscal Administrator, Financial Management Division, HCD

Esther Caesar, Accountant III, Financial Management Division, HCD

RESOLUTION NO. 09-05

ADOPTION OF THE FY 2006 PUBLIC HOUSING UNDER MANAGEMENT
OPERATING BUDGETS FOR ANNUAL CONTRIBUTIONS
CONTRACTS P-184 AND P-2530

BE IT RESOLVED, that the Fairfax County Redevelopment and Housing Authority (FCRHA) approves the FY 2006 budget for Annual Contributions Contracts P-184 and P-2530 presented at its March 10, 2005 meeting, which is necessary for the operation of the FY 2005 Public Housing Under Management Program totaling 1,002 and 62 units, respectively, and authorizes submission of the budget to the U.S. Department of Housing and Urban Development.

PROJECTED FUND STATEMENT FY 2006					
Fund 967, Public Housing under Management P-184 and P-2530					
	1. FY 2004 ACTUAL EXPENDITURE	2. FY 2005 REVISED BUDGET PLAN	3. FY 2005 ESTIMATE (w/3rd Q. Adj)	4. FY 2006 ADVERTISED BUDGET	5. FY 2006 ADJUSTED
BEGINNING BALANCE, JULY 1	\$922,372	\$982,572	\$982,572	\$981,866	\$912,496
RECEIPTS:					
DWELLING RENTAL INCOME	\$4,246,882	\$4,056,056	\$4,075,535	\$4,075,535	\$4,075,535
EXCESS UTILITIES	\$129,699	\$132,844	\$132,844	\$129,699	\$129,699
INTEREST ON INVESTMENTS	\$28,414	\$38,300	\$38,300	\$58,451	\$58,451
OTHER OPERATING RECEIPTS	\$175,389	\$118,032	\$175,389	\$175,389	\$175,389
HUD ANNUAL CONTRIBUTION (DEBT SERVICE)	\$239,205	\$241,325	\$241,325	\$238,325	\$238,325
HUD SUBSIDY	\$665,023	\$768,884	\$793,973	\$768,884	\$974,856 2/
TOTAL RECEIPTS	\$5,484,612	\$5,355,441	\$5,457,366	\$5,446,283	\$5,652,255
TOTAL AVAILABLE	\$6,406,984	\$6,338,013	\$6,439,938	\$6,428,149	\$6,564,751
EXPENDITURES:					
ADMINISTRATION	\$1,653,807	\$1,624,277	\$1,672,015	\$1,661,368	\$1,661,368
TENANT SERVICES	\$7,510	\$24,550	\$24,550	\$49,415	\$49,415
UTILITIES	\$1,493,362	\$1,494,888	\$1,562,144	\$1,503,848	\$1,503,848
ORDINARY MAINTENANCE/OPERATION	\$1,610,800	\$1,584,669	\$1,581,173	\$1,590,633	\$1,590,633
GENERAL EXPENSES	\$409,214	\$365,411	\$425,208	\$418,512	\$418,512
NONROUTINE EXPENDITURES	\$14,656	\$21,027	\$21,027	\$21,027	\$21,027
OTHER EXPENSES	\$235,062	\$241,325	\$241,325	\$238,325	\$238,325
TOTAL EXPENDITURES	\$5,424,412	\$5,356,147	\$5,527,442	\$5,483,128	\$5,483,128
ENDING BALANCE, JUNE 30	\$982,572 1/	\$981,866	\$912,496	\$945,021	\$1,081,623

1/ Final FY 2004 adjustments are included in the balance.

2/ Based on FY 2006 budget submission to HUD.